



# ***ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT***

**AUGUST 2023**



# CONTENTS

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- 03 ABOUT THIS REPORT**
- 04 FORWARD-LOOKING INFORMATION**
- 05 MESSAGE FROM THE PRESIDENT & CEO**
- 06 ABOUT US**
  - OUR FOOTPRINT
- 07 ENVIRONMENT**
  - WASTE AND CIRCULAR ECONOMY
  - ENERGY AND GHG EMISSIONS
- 12 SOCIAL**
  - TALENT ATTRACTION, RETENTION AND DEVELOPMENT
  - INCLUSION, DIVERSITY AND EQUITY
  - COMMUNITY IMPACT
  - HEALTH, SAFETY AND WELL-BEING
- 22 GOVERNANCE**
  - ESG LEADERSHIP AND ACCOUNTABILITY
  - BUSINESS ETHICS
  - DATA PRIVACY & CYBERSECURITY
  - INNOVATION AND TECHNOLOGY



## ***ABOUT THIS REPORT***

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In this, our second annual ESG report, Boyd Group Services Inc. (“BGS”, “Boyd”, “Boyd Group”, or the “Company”) summarizes our priority topics, ambitions, goals and progress related to our environmental, social and governance (“ESG”) performance. Our assessment of priority topics was informed by global, regional and industry ESG trends, expectations and priorities highlighted by stakeholders, and globally recognized sustainability reporting standards. We had previously intended to work toward aligning our ESG report with the Sustainability Accounting Standards Board (“SASB”). With the ongoing work around consolidating ESG reporting frameworks, we are re-evaluating our position to better understand the upcoming standards of the International Sustainability Standards Board (ISSB). We will align with the framework that is best suited to Boyd Group, our operations and our stakeholders.

This ESG Report focuses on performance and activities from January 1 to December 31, 2022. In certain instances, where material progress has been made subsequent to December 31, 2022 but prior to the publication of this report, information has been included and, where applicable, this information has been identified throughout the document. Unless otherwise noted, information within this report pertains to Boyd Group Services Inc. and all its subsidiaries.

We welcome your feedback about our report and invite you to contact us at: [esg@boydgroup.com](mailto:esg@boydgroup.com)



## FORWARD-LOOKING INFORMATION

Statements made in this Report, other than those concerning historical information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like “may”, “will”, “anticipate”, “estimate”, “expect”, “intend” or “continue” or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements. Factors that could cause results to vary include, but are not limited to: employee relations and staffing; margin pressure and sales mix changes; acquisition risk; operational performance; brand management and reputation; market environment change; reliance on technology; supply chain risk; pandemic risk & economic downturn; changes in client relationships; decline in number of insurance claims; environmental, health and safety risk; climate change and weather conditions; competition; access to capital; dependence on key

personnel; tax position risk; corporate governance; increased government regulation and tax risk; fluctuations in operating results and seasonality; risk of litigation; execution on new strategies; insurance risk; interest rates; U.S. health care costs and workers’ compensation claims; foreign currency risk; low capture rates; capital expenditures; and energy costs and BGS’s success in anticipating and managing the foregoing risks.

We caution that the foregoing list of factors is not exhaustive and that when reviewing our forward-looking statements, investors and others should refer to the “Risk Factors” section of BGS’s Annual Information Form, the “Risks and Uncertainties” and other sections of our Management’s Discussion and Analysis of Operating Results and Financial Position and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

# MESSAGE FROM THE PRESIDENT & CEO

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I take great pleasure in presenting the second edition of our Environmental, Social, and Governance (“ESG”) Report, providing an update on the Boyd Group’s ESG efforts and initiatives over the past year. As one of the largest operators of non-franchised collision repair centers in North America, and one of the largest retail auto glass operators in the United States, we recognize our potential to contribute positive impacts to society, our communities, and the environment. We are committed to exploring innovative solutions and adopting circular economy best practices to fulfill our potential and create meaningful change. We believe our ESG efforts are essential in delivering on our mission to WOW our customers with quality work and best-in-class service.

Since releasing our inaugural ESG report last year, we have made excellent strides in advancing our ESG goals and ambitions. We are exploring innovative solutions to automotive repair while adopting circularity principles to help in creating meaningful change. In 2022, we completed our inaugural greenhouse gas emissions inventory.

As part of our commitment to our employees, we are working to create a safer working environment for our team members. We enhanced our ability to track key health and safety metrics which allows us to identify areas for improvement to reduce workplace incidents and injuries.

Training and upskilling of our employees is critical to the future of our company. We remain focused on investing in training, which includes unconscious bias training for all managers and doubling the number of technicians participating in our Technician Development Program. We are excited to launch further leadership development training in 2023 with a full rollout in 2024.

Our new Business Partner Code of Conduct sets out our expectations and allows our suppliers to understand our standards and values. We have shared our Business Partner Code of Conduct with our key suppliers and have established a process for new suppliers to acknowledge the Business Partner Code of Conduct as part of their onboarding.

We are pleased to share the progress we have made thus far on our ESG journey, while acknowledging there is always more work to be done. As we strive to achieve our mission, we understand that the topics addressed in this report may evolve in terms of their nature, scope, and magnitude. To work toward accomplishing the goals we established for our priority topics in 2021, it was necessary to make coordinated efforts in our management of the goals, and in the collection of the data necessary to establish a baseline for our performance. Some goals, for example our inaugural GHG inventory, required more resources and time than we initially expected. For this reason, the target years to achieve a few of our goals have been adjusted. We remain dedicated to integrating ESG considerations into our business practices and disclosing our ESG performance. We are committed to continuously improving and look forward to the opportunities ahead.

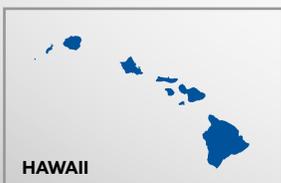
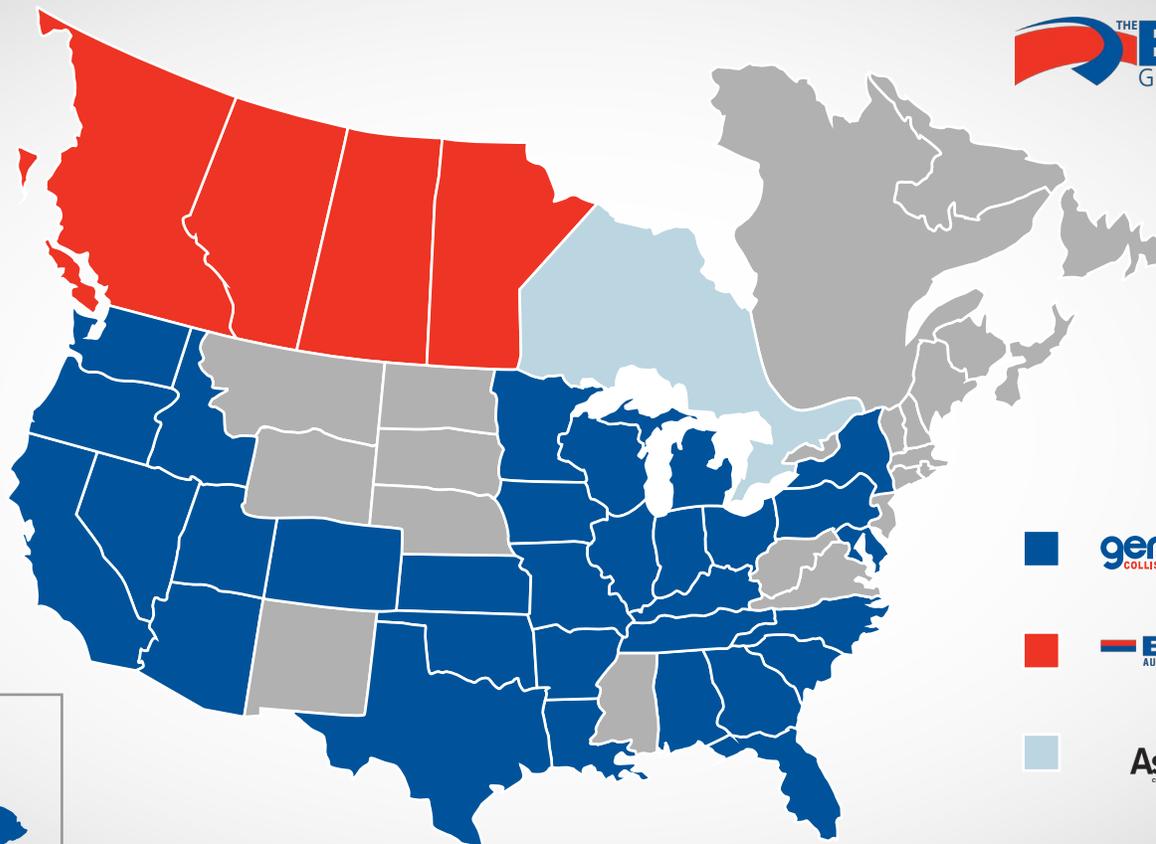
On behalf of myself, the executive team, and our Board of Directors, I want to thank everyone at the Boyd Group for their efforts in advancing our ESG ambitions. Your hard work and dedication are instrumental in moving us toward a more sustainable future. Thank you for your valuable contributions and for demonstrating the WOW operating way. I look forward to continuing to work alongside each and every one of you.



A handwritten signature in black ink that reads "Timothy O'Day".

**TIMOTHY O'DAY**

Boyd Group Services Inc., President and CEO



## ABOUT US

Boyd Group Services Inc., through its operating company, The Boyd Group Inc. and its subsidiaries, is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates locations in Canada under the trade names Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The Company is also a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. In addition, the Company operates a third-party administrator, Gerber National Claims Services, that offers glass, emergency roadside and first notice of loss services.

### OUR FOOTPRINT

- Over **850 company-operated collision locations** in Canada and the U.S.
- Over **12,000 employees** in Canada and the U.S.

# ENVIRONMENT

In recent years, the concept of environmental stewardship has transitioned from being an aspiration to becoming a stakeholder expectation—from governments and investors to our customers and employees. We are proud to have taken significant steps over the past year to understand and begin to reduce our environmental impact. Our efforts include a range of initiatives, such as implementing new strategies to advance the circular economy through our plastics repair program and conducting our inaugural greenhouse gas emissions (GHG) inventory to better understand our carbon footprint.

## WASTE AND CIRCULAR ECONOMY

The circular economy paradigm places sustainability at its core, emphasizing the development of closed-loop systems where materials are consistently reused or repurposed while creating value. It revolves around the concept of viewing by-products and “waste” materials as usable material inputs to minimize the consumption of new resources by promoting the repair, reuse and recycling of materials, thus diverting them from landfills.



*“The Boyd Group is exploring innovative ways to reduce the volume of raw materials we use while maintaining the highest of quality standards for our customers.”*



Given global supply chain constraints and inflationary pressures driving an increase in costs of raw materials, this also benefits our business by reducing our costs. By embracing circular business models, we can create a sustainable future where resources are used more efficiently, benefiting the environment and the economy alike.

## OUR APPROACH

*“The Boyd Group promotes circular economy principles by re-using materials, recycling, and ultimately, working to reframe what the collision industry considers as waste.”*

Realizing this ambition requires collaboration and support from all levels of our business. At the corporate level, our Environmental, Health, and Safety (“EHS”) Director leads our initiatives on waste management and recycling while our Innovation and Transformation Director manages our plastics repair related programs and initiatives. We have also established a standard operating procedure (“SoP”) for regulated waste management that guides all our shops’ waste procedures. General Managers (“GM”) and shop employees are responsible for reducing waste and properly segregating materials.

Our waste management protocols require shops to segregate and safely dispose of hazardous materials such as antifreeze and oil. Materials like rubber tires and metals are recycled, where possible. We have also opted to use environmentally friendly materials, where feasible. For example, all our shops use waterborne paints which emit less volatile organic compounds (VOCs) and reduce water pollution risks relative to solvent-based paints.

## OUR PROGRESS

### ***Preparing to Establish a Waste Baseline***

We have made substantial strides toward streamlining our waste management and collection processes. In 2022, the company re-evaluated our current processes and worked toward centralizing our data collection and management approach, resulting in our new SoP for regulated waste management. We are now focusing our efforts to communicate and socialize the SoP with all our shops across the United States and Canada. Standardizing our waste management processes and analyzing the data will also allow us to identify the specific types of waste that may be prioritized for reduction strategies.

### ***Repair First***

We acknowledge that diverting plastic from waste disposal sites plays a crucial role in supporting the circular economy. This is why we have focused our efforts on the repair of plastic vehicle components. Our Repair First approach enables us to reduce the time required for vehicle repair by avoiding waiting times from parts providers. It also facilitates a more seamless repair for vehicles because the existing component is used. This results in faster and better services for our customers, reduced costs, more vehicles serviced and reduced impact on the environment.



To support our Repair First strategy and commitment to plastic repair, we piloted an advanced plastic repair program in Chicago. In 2022, we established specialized entry-level Plastic Repair Technician roles and recruited an initial class of trainees. We have received positive feedback from trainees who are developing specialized skills and forging their career in the industry while helping us to expand our business. We continue to integrate feedback and expand the program’s content and availability. In turn, these additional Plastic Repair Technicians will be critical in providing us with the skills and talent to achieve our goal to increase the number of plastic car parts we repair annually to twice the industry average.

## THE ROAD AHEAD

In 2022, we achieved our goal to establish a SoP for regulated waste management. We will evaluate adherence to the SoP as part of shop-level independent quarterly health and safety audits. The results will be shared with all levels of management through a new internal EHS dashboard. We aim to complete this work prior to establishing our baseline for waste and recycling.

We have partnered with a third-party waste service provider in 2023 to further support our endeavor to standardize data collection. This data will allow us to identify shops that may need additional support related to waste management including recycling, waste reduction and waste segregation. We will begin to capture this data in the second half of 2023. In this scenario, we anticipate establishing a complete waste baseline by the end of 2024. Therefore, we have recalibrated the target year of our goal on establishing a waste baseline. A consistent approach to waste collection and measurement will result in increased accuracy and confidence in our waste generation baseline which will enable comparison of our year-over-year data. We will continue to advance our waste reduction efforts on our plastic Repair First strategy. While we currently repair more plastic car parts than the industry average, we also continue to train team members across our locations and to develop the new specialized tools and equipment needed to repair more types of plastic car parts.

## GOALS

We will establish a baseline for waste and recycling against which to collect and measure data, and report on performance in future reports.

**TIMELINE<sup>1</sup>:** 2024<sup>2</sup>    **STATUS:** ●

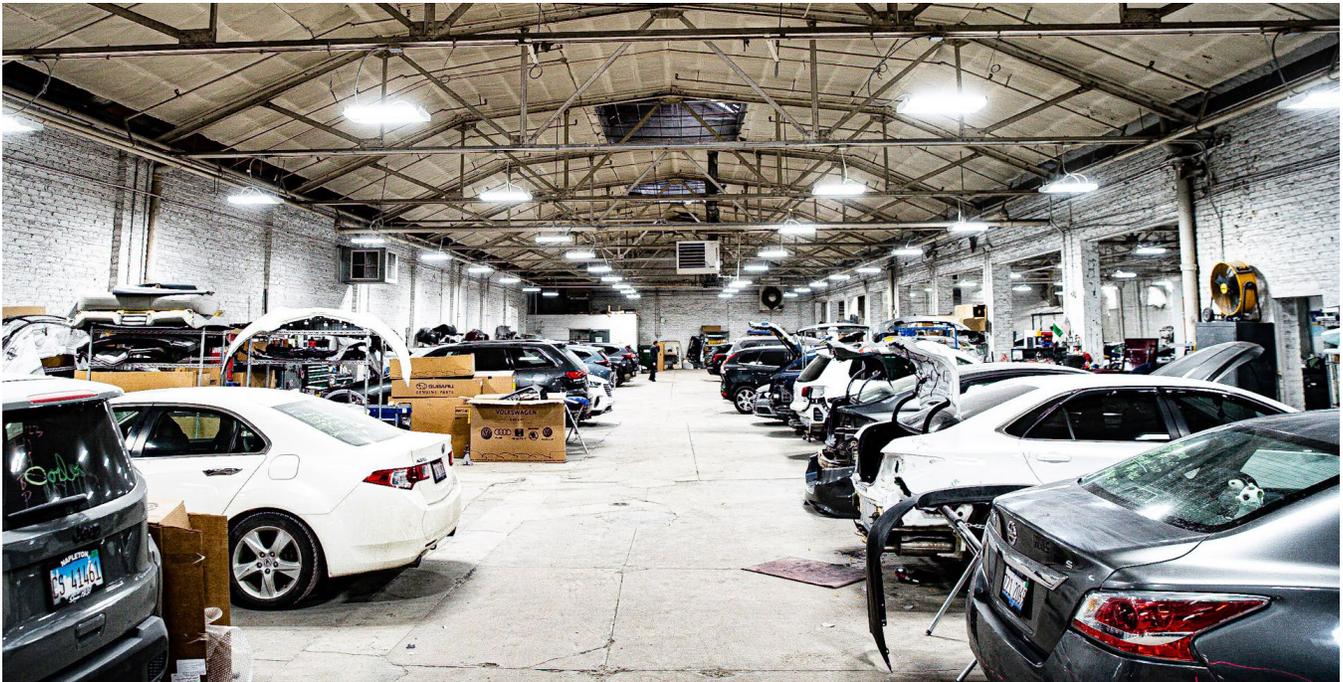
We will increase the number of plastic car parts we repair annually to twice the industry average.

**TIMELINE:** 2025    **STATUS:** ●

**NEW** ●    **ACHIEVED** ●    **ON-TRACK** ●    **DELAYED** ●

*1 Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.*

*2 The target year for this goal was previously 2023. It has been adjusted to 2024. Based on this revision, the goal is on track for the completion of the waste baseline by the end of 2024.*



# ENERGY AND GHG EMISSIONS

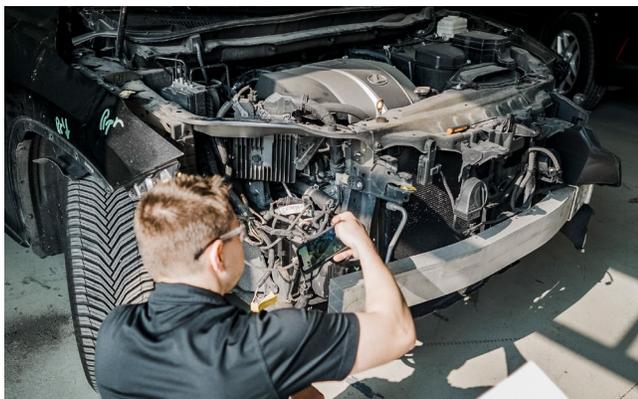
Businesses are increasingly taking a leading role in mitigating climate change and aligning to a net-zero pathway.

*“The Boyd Group acknowledges our responsibility in addressing the climate crisis and is committed to reducing our climate impact, protecting the environment and shaping a sustainable future.”*

Addressing climate change can be beneficial through realizing cost savings from energy efficiency measures and staying ahead of stakeholder expectations in an increasingly environmentally conscious market.

## OUR APPROACH

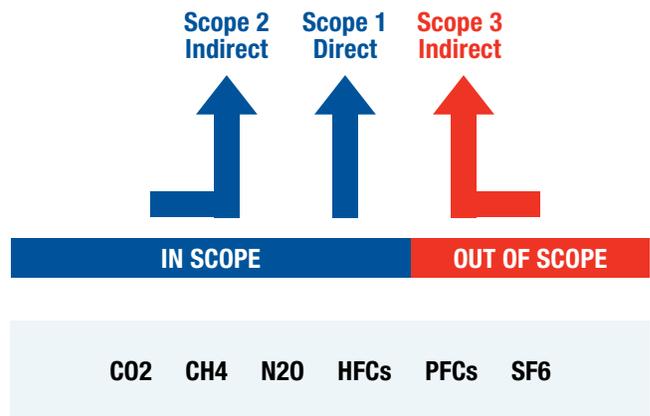
We aim to reduce our greenhouse gas emissions (“GHG”) footprint by implementing energy-efficiency measures within our operations. In 2022, we conducted a GHG baseline assessment as part of our commitment to better understanding and managing our GHG emissions. This assessment aimed to gather comprehensive data on the company’s emissions sources and quantify our GHG footprint.



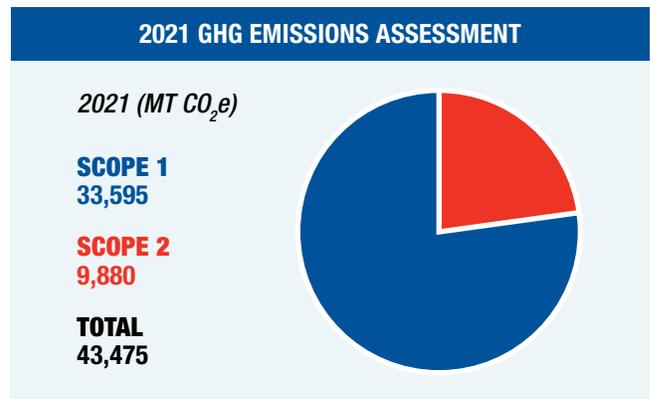
## OUR PROGRESS

### GHG Emissions Inventory

We are excited to have completed the inaugural GHG emissions inventory for 2021, in line with the World Resources Institute (WRI) and World Business Council for Sustainable Development’s (WBCSD) GHG Protocol Corporate Accounting and Reporting Standard. As a company with hundreds of locations across two countries, this was a significant undertaking with many challenges related to data collection from different utilities and sites in leased buildings. Therefore, we relied on estimated data for a portion of our operations.



This inaugural assessment allowed us to identify our most significant emissions sources. In 2021, Scope 1 emissions were our largest source of emissions, accounting for 77% of our operational emissions. For the Boyd Group, Scope 1 emissions include the emissions from the fuel used to power our vehicle fleets and natural gas used in our production facilities. Our Scope 2 emissions accounted for 23% of our footprint in 2021. Our Scope 2 emissions are attributed to the electricity required to run our shops and repair equipment. The results of our 2021 GHG emissions assessment are presented below.



### Fleet Decarbonization Strategy

Our fleet of vehicles in the U.S. enables our mobile glass repair and replacement service offering. In 2022, we focused on developing a strategy to reduce our Scope 1 emissions from fleet vehicles. We assessed our options for transitioning our fleet of approximately 600 service vans within our Glass America operations to hybrid and/or electric vehicles (“EV”). To ensure a thorough understanding of the emerging dynamics of the EV market environment, we collaborated closely with our fleet management partner. This partnership facilitated an in-depth analysis of commercial vehicle performance capabilities and the constraints within the vehicle manufacturing and supply chain. Furthermore, we modeled the total cost of ownership associated with EV adoption. This detailed analysis is key to understanding our risks and opportunities related to transitioning to EVs and determining required capital investments.



Aligned with our strategy, we purchased two EVs to join our Glass America fleet. These EVs will serve as a pilot for our longer-term plan to transition our fleet to more environmentally friendly vehicles. Currently, the EVs are being outfitted for mobile glass repair and replacement. The pilot will launch in 2023, providing mobile glass repair and replacement service in Denver, Colorado. Running the pilot in Denver will enable us to understand the EV’s performance in a market with dynamic weather conditions and assess battery performance in cold and warm months. We are excited to get these vehicles on the road and test the feasibility of our fleet transition strategy which has the potential to save thousands of tons of GHG emissions.

## THE ROAD AHEAD

In 2022, we made significant progress in understanding our current GHG emissions sources. Previously, we stated that we would evaluate opportunities around implementing technology solutions to understand and manage our energy consumption. However, we now understand that a high proportion of our emissions come from our Scope 1 emissions which includes our vehicle fleet and natural gas use in shops. As a result, our resources will be dedicated to evaluating our fleet decarbonization pilot.

### GOALS

Establish a baseline for Scope 1 and Scope 2 emissions to measure and report on performance in future disclosures.

**TIMELINE<sup>3</sup>:** 2022      **STATUS:** ●

Determine the most effective and practical ways that we can maximize our efficiency while maintaining a safe and comfortable working environment for our employees.

**TIMELINE:** 2022      **STATUS:** ●

Assess our options for transitioning our fleet to hybrid and/or electric vehicles to drive down our Scope 1 emissions. By the end of 2023, we will evaluate the data from the pilot project in Denver, Colorado to determine whether or not to further roll out this initiative.

**TIMELINE:** 2023      **STATUS:** ●

**NEW** ●      **ACHIEVED** ●      **ON-TRACK** ●      **DELAYED** ●

*3 Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.*

# SOCIAL

At the Boyd Group, we recognize that our success is linked with the well-being of our communities and employees. Our business has direct and indirect impacts on the well-being of our employees, customers and communities. We are focused on creating positive impacts by incorporating social responsibility into our business practices and contributing to our communities through our initiatives.

## **TALENT ATTRACTION, RETENTION AND DEVELOPMENT**

The desire for meaningful work and values-aligned work environments is on the rise, and organizations are rethinking their relationships with employees and recognizing the need to adapt to create environments that foster purpose and fulfillment.

Our people drive the success of our business, and we strive to empower our employees to reach their full potential and build long-term careers at the Boyd Group.

## **OUR APPROACH**

We have achieved rapid growth through acquisitions and opening of new locations. Alongside this, managing human resources and integrating employees is a top priority. Our Vice President and Chief Human Resources Officer leads the management of our talent strategy and initiatives and is supported by our Human Resources (“HR”) Department. To strengthen our recruitment process, we increased the number of recruitment support staff to improve lead generation, follow-up and support our hiring managers.

*“Our goal is to be a top employer in the collision and glass sector by attracting, developing and retaining the strongest talent in the industry.”*



Recognizing that robust compensation and benefits packages are essential for retaining our talent, we continue to review our Total Rewards program for our employees to align with the overall well-being of our workforce. We are also prioritizing creating strong employee engagement procedures, promoting work-life balance and providing opportunities for employee development.

## OUR PROGRESS

Our industry continues to face challenges around labor shortages and talent retention which impact our business. In response, we implemented several measures to enhance our talent attraction and employee retention strategies. To improve talent attraction, we updated our job descriptions to promote a more clear and welcoming experience for potential candidates and communicate our company's future direction and what we value in our employees.

In addition to enhancing the talent attraction process, we recognize the importance of retaining our existing workforce.

welding through Inter-Industry Conference on Auto Collision Repair® (I-CAR®) classes and hands-on, practical learning supported by a mentor.

Technicians who complete the program are welding certified in plastic, resistance, rivet bonding, and steel structural. Graduating trainees receive a full set of tools and secure a position with the Boyd Group. This program



*“For 2022 and beyond, our efforts have shifted toward building our internal talent capabilities and driving employee engagement.”*

One example involves prioritizing the recruitment of candidates for our apprenticeship program from our pool of current employees. This approach allows us to enhance their skills and promotes their career growth within our organization.

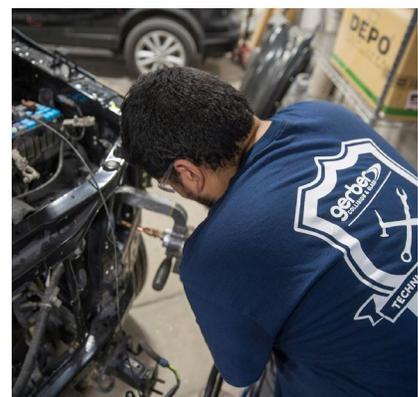
In 2022, we completed a competitive review and evaluation of our benefits and compensation. We will continue to review our compensation framework and processes to ensure that we remain competitive in the market.

### **Technician Development Program**

Our flagship Technician Development Program (“TDP”) is a comprehensive 18-month program which guides trainees through different skills such as vehicle teardown and structural

demonstrates our commitment to building a skilled workforce and plays a critical role in supporting talent development to address the technician shortage within our industry.

In 2021, we committed to growing our TDP program through increased recruiting efforts in local schools across the U.S. In 2022, we delivered on this and doubled the size of the TDP program. To improve the diversity and inclusivity of this program, we were intentional in our recruiting efforts to increase the number of women participating in the program. We held two recruiting events that were focused on women and increased the visibility of women in the industry by having women lead our recruiting events. As a result of our efforts, female participation increased by approximately 5% from 2021 to 2022.



## THE ROAD AHEAD

We prioritize leadership and career development at the Boyd Group, and plan to focus on building internal talent toward the GM level. To enhance career knowledge, we are developing formalized programs on career paths, development, performance reviews and talent management.

A new multi-day leadership development program for all people leaders is planned for launch in 2023, and we will continue to support our current training and development pathways. Apprenticeship opportunities and training programs, including I-CAR® training initiatives, will continue to be provided to employees.

To help us develop the most effective programs and processes for our employees, we will launch our first employee engagement survey in 2023. Through the survey, we will gather baseline data and gain a deeper understanding of our employees' needs so we can better support them and their careers at Boyd.

## GOALS

Launch a new leadership development program

**TIMELINE<sup>4</sup>:** 2023

**STATUS:**



Launch our first employee engagement survey and action plans

**TIMELINE:** 2023

**STATUS:**



Double the number of technicians participating in our Technician Development Program

**TIMELINE:** 2022

**STATUS:**



**NEW**



**ACHIEVED**



**ON-TRACK**



**DELAYED**



*<sup>4</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.*



## INCLUSION, DIVERSITY AND EQUITY

We believe that diversity and equity cannot be attained without first achieving inclusion. For this reason, we changed our framing of this topic from diversity, equity and inclusion to inclusion, diversity and equity (ID&E). Our organization is committed to creating a welcoming and supportive environment for all employees and serving the expectations and needs of our customers and communities by fostering ID&E in our company culture. As part of our ongoing journey, we aim to integrate ID&E into our business practices and continuously assess and enhance our practices to ensure we are meeting our goals and the expectations of our employees and community members.



### OUR APPROACH

Effective ID&E practices start with our leadership prioritizing ID&E so that it becomes second nature to all members of our company. We have a cross-functional steering team that works to embed ID&E throughout our organization. We continue to learn from best practices and update our governance and management structures to support our efforts of creating impactful change around ID&E.

**We have policies to guide and support our ID&E approach such as:**

- [Board Composition, Diversity and Renewal Policy](#)
- [Reporting and Anti-Retaliation Policy](#)
- [Non-Discrimination and Anti-Harassment Policy](#)
- [Diversity Policy](#)
- [Human Rights Statement](#)

We know that ID&E is an integral part of our employees' experience at the Boyd Group. We have built a framework for how we integrate an ID&E perspective more deeply into every step of our employees' career journey at Boyd. One of the ways we are doing this is by creating a roadmap that includes career paths and processes to ensure that we recognize and promote talent within our organization from entry to senior-level positions.



To facilitate effective communication and engagement with our employees, we created a new internal webpage dedicated to ID&E. This webpage serves as a centralized platform where employees can access information about the ongoing work of our ID&E team and find opportunities to get involved. In addition to our ID&E internal webpage, we will plan to roll out regular communications to our shop employees through monthly newsletters. These newsletters will share important announcements, employee stories, and highlight more opportunities for employees to actively participate in our ID&E initiatives.



## OUR PROGRESS

### ID&E Training and Education

We believe ongoing education at all levels of our organization is critical for our ID&E journey. In 2022, we continued to build on our foundation, and achieved our goal to have all managers complete Unconscious Bias training.

*“At our 2022 Leadership Conference, we built on Unconscious Bias training by helping leaders understand what they can do to lead with inclusion, attract new talent, improve our workplace culture, retain our current employees and develop careers within Boyd.”*

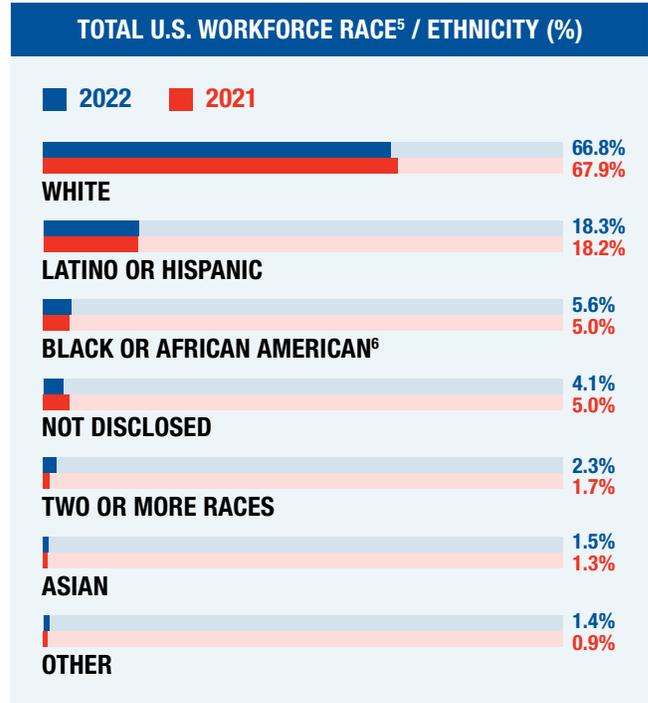
### Employee Resource Groups

Encouraged by the success of our Women’s Resource Group, we created a second Employee Resource Group (“ERG”), Driving Pride, to support the LGBTQ+ community. We implemented a diversity calendar to bring awareness and celebrate days and months from different cultures and religions from around the world. To support recruitment, we made our job descriptions more inclusive by inviting specific groups to apply. Training on ID&E aspects was also incorporated in the onboarding process for new hires.

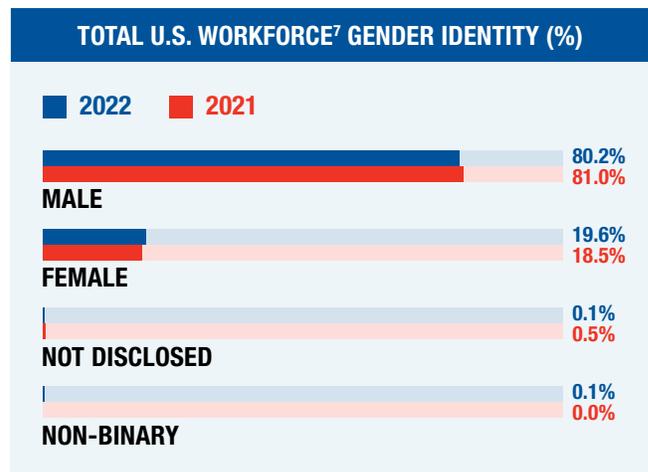


### Our Metrics on Diversity

In 2022, we made incremental progress in diversifying our workforce. We recognize that it will be a long process to reach true representation and remain committed to our goals. In 2022, 29% of new hires in entry-level positions in the U.S. were from underrepresented populations.



In 2022, we focused additional efforts on increasing gender diversity in our U.S. workforce. This was driven by intentional efforts to include women as our representatives in our Technician Development Program (“TDP”) hiring efforts, allowing potential recruits to see themselves in the collision repair industry.



<sup>5</sup> Data is representative of Boyd’s US- Collision and Glass business.

<sup>6</sup> 2021 Amount has been restated to correct a rounding error.

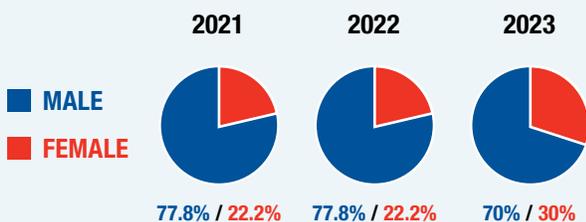
<sup>7</sup> Data is representative of Boyd’s US- Collision and Glass business.

### Board Demographics

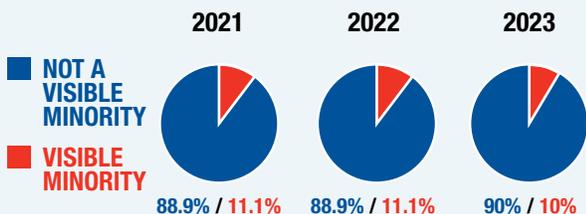
In 2022, our Board composition remained consistent with 2021. In May of 2023, a new female Director was elected to our Board, which brought our Board composition to 30% female. The Board has a policy to maintain a Board composition in which at least 30% of the Directors are female. Our Governance and Sustainability Committee and People, Culture and Compensation Committee are both chaired by women on our Board.



#### BOARD GENDER DIVERSITY



#### BOARD RACE/ETHNIC DIVERSITY



#### BOARD INDEPENDENCE

	2021	2022	2023
<b>INDEPENDENT</b>	7	7	8
<b>NON-INDEPENDENT</b>	2	2	2

## THE ROAD AHEAD

We continue to seek out opportunities to diversify our workforce to better reflect the communities we serve, and are working to incorporate ID&E into our employee life cycle. In 2023, this will include new hire orientation, career pathing and leadership development training.

Our focus for 2023 involves expanding our ERG model through the launch of new ERGs and fostering higher levels of employee engagement with them. We will continue educating our people by providing more training, tools, communication and programs around ID&E in the workplace. To further increase engagement, our ID&E advisory council will visit our shops to get a better understanding of how to strengthen employee involvement and engagement.

## GOALS

We will require Unconscious Bias training for all managers.

**TIMELINE<sup>8</sup>:** 2022

**STATUS:** ●

35% of our new hires in entry level positions in the U.S. are from underrepresented populations.

**TIMELINE:** 2025

**STATUS:** ●

**NEW** ● **ACHIEVED** ● **ON-TRACK** ● **DELAYED** ●

*<sup>8</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.*



## COMMUNITY IMPACT

We contribute to the well-being of our communities through various initiatives such as philanthropy, volunteerism, disaster relief and investment in infrastructure. By engaging in these initiatives, we strengthen our relationships with the communities in which we operate and build a sense of trust and goodwill. Our commitment also extends to making a positive impact on our industry by contributing to its development and growth through various programs.

### OUR APPROACH

Our marketing team leads the management of our community impact initiatives. We are proud of the relationships and partnerships we have with both local and national organizations. At the corporate level, we partner with industry organizations that allow us to deliver impact through our specialized knowledge and skills. We also encourage our employees to volunteer through our Team Member Volunteer Challenge. Employees who participate in the challenge can vote in the distribution of donations to charitable organizations. At the local level, individual shops support local organizations of their choosing, enabling employees to contribute and participate in initiatives they are passionate about and matter to them. We communicate our impact through our WOW weekly news and monthly newsletters where employees can share stories, submit WOW reviews and read the featured Weekly Good News.



### OUR PROGRESS

*"In 2022, we launched the Team Member Volunteer Challenge, a company-wide initiative that encourages our employees to volunteer and give back to their communities."*

The program launched through a number of leadership calls, in Tim Talks, our company-wide President & CEO's Video, and posters at the shop level. All communications included a QR code where participants could log in their hours to help keep track of the volunteer hours. Our team members logged more than 10,300 hours of volunteer time in 2022 towards initiatives including writing letters to veterans, donating blood, working suicide crisis hotlines and helping humane societies.

Our leaders actively contribute to collision industry initiatives, generously donating their time and expertise. Several of them hold positions on various boards and committees within the industry. Our President & Chief Executive Officer received the Founder's Award to recognize his outstanding service as the I-CAR® Board Chair from 2018-2020. Our Vice President of Marketing is currently the Vice Chair of Women's Industry Network (WIN), an organization that supports the advancement of women in collision repair. Our Director of Innovation is also currently a member of the International Bodyshop Industry Symposium (IBIS), an organization committed to providing insights and resources to the industry.

Our partnerships with local schools offer a pathway for young people to develop skills and build a rewarding career. The Boyd Group partnered with over 100 schools and organizations across the U.S. in 2022. These relationships support our commitment to recruit and attract talent from local schools to the TDP program and other relevant roles in the organization. We have also continued our partnership with the National Autobody Council to donate cars to families in need.

## THE ROAD AHEAD

*“The Boyd Group provides monetary contributions to charitable organizations across the U.S and Canada.”*

We select organizations to support based on a variety of factors, such as local relationships and industry partnerships. In 2023, we will be providing a monetary donation based on the number of team member volunteer hours achieved in 2022. This allows us to acknowledge the dedication and contribution of our volunteers. To engage our workforce, volunteer participants are involved in selecting the charitable cause that our donation will support.



## GOALS

Launch our Team Member Volunteer Challenge to support and encourage our employees to volunteer in their communities.

**TIMELINE<sup>9</sup>:** 2022      **STATUS:** ●

Grow our Technician Development Program through increased recruiting efforts in local schools across the U.S.

**TIMELINE:** 2022      **STATUS:** ●

Our leadership team will continue to donate their time, talent and resources to further developing the collision industry and the communities we serve.

**TIMELINE:** ONGOING      **STATUS:** ●

**NEW** ●      **ACHIEVED** ●      **ON-TRACK** ●      **DELAYED** ●

<sup>9</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.



## HEALTH, SAFETY AND WELL-BEING

We hold a firm belief that creating a safe and healthy working environment is of utmost importance. It serves as a foundation for fostering employee satisfaction, well-being and productivity. Furthermore, it is a fundamental element for us to operate as a responsible and ethical company. We are fully committed to fostering a strong culture of safety and accident prevention through the implementation of improved management and operating procedures, and by rigorously enforcing our policies and procedures.

*“Our ambition is to foster a strong culture of safety and accident prevention at the Boyd Group and help ensure that our employees remain safe on the job.”*

### OUR APPROACH

Our EHS Director leads the management of our environmental health and safety initiatives and compliance, along with various aspects of mechanical safety at the Boyd Group. The Safety Committee supports the implementation and enforcement of all current health, safety and well-being-related policies and procedures.

**Our culture of health and safety is supported by several policies including our:**

- [Occupational Health and Safety Policy](#)
- [Incident Reporting Policy](#)

In 2022, we made significant efforts to advance our approach for this topic to help us prioritize monitoring and continuously improving our performance in health and safety and have partnered with a third-party advisor to achieve this. Please see the Environmental, Health and Safety Partnership section of this report for more information.

Employee engagement is a key priority for cultivating our safety-conscious culture. Safety is integrated across all levels, with EHS topics featured on leadership calls. Through weekly safety moments, team members share learnings and discuss corrective and preventive actions. Safe behaviors are reinforced through our weekly WOW news and our newly developed online library of Toolbox Talks, which provides employees with access to safety resources.

We actively promote employee wellness through our Accident Return-to-Work Program and Employee Assistance Program, which are available to support employees who may be experiencing difficulties.

### Supplier Engagement

Maintaining a robust safety culture extends to our business partners, who play a crucial role in our operations. We communicate our safety expectations to suppliers through our Business Partner Code of Conduct. As part of our onboarding process, new suppliers are required to acknowledge and adhere to this Code of Conduct.



### OUR PROGRESS

#### **Incident Investigation and Corrective Action Sharing Program**

Underpinning our commitment to a robust health and safety culture at the Boyd Group is our goal to formalize and implement an incident investigation and corrective action sharing program. We have taken significant actions to develop this program and we are on track to achieve this goal ahead of plan, by the end of 2023. The program aims to socialize corrective actions that emanate from safety investigations in the hopes of preventing future incidents.

In the interest of furthering employee well-being, we have subscribed to a nurse line service to guarantee immediate care in the event of a work-related injury. The nurse line ensures that injured employees receive real-time medical guidance from a nurse who can recommend the appropriate level of care using evidence-based medical guidelines. The service is available 24 hours a day, 365 days a year and is staffed by both English- and Spanish-speaking nurses. We have also instituted a process to conduct formal investigations of all lost time and recordable incidents to identify corrective actions that will improve safety in the workplace. We continue to monitor injury trends through various analysis tools and as a result of our efforts, we have seen a reduction in our lost time days from 2021 to 2022.

### **Environmental, Health and Safety Partnership**

*“We recognize the well-being of our employees, customers and communities as a top priority.”*

In 2022, we partnered with a third-party EHS advisor to help improve the health and safety across our entire organization. Through various methods and processes, this advisor will support us in identifying, monitoring and improving our health and safety performance.

To ensure consistent safety standards across all operational locations, our advisor conducts quarterly audits of our collision centers in the U.S. and Canada. Each audit receives a score and recommendations for improvement around environmental compliance and health and safety, which we work diligently to address. Recommendations extend to critical compliance elements like respirator fit testing, medical evaluations and other safety compliance tasks. In addition, we prioritize equipping our internal personnel with the necessary knowledge and skills to uphold strong safety protocols. Our advisor provides training safety alerts and bulletins on essential elements of our EHS program, empowering our team to implement effective safety practices.

We have also introduced a new EHS software platform that will help us better manage and track information, such as site assessment scores and completed safety training. This new EHS dashboard provides site-specific metrics and is accessible to all GMs and leaders. The dashboard also provides the top areas for improvement in EHS for every site to help GMs prioritize actions.

## THE ROAD AHEAD

In 2023, we plan to introduce an expanded health and wellness program that takes a more holistic view of what wellness means to our employees. For example, we will provide prescription safety glasses for all employees who require them and will invest in new shop equipment to help reduce injuries related to strains and sprains.

### GOALS

Develop and begin executing a communication plan that aligns with our overall EHS strategy.

**TIMELINE<sup>10</sup>:** 2022

**STATUS:** 

Encourage experience sharing via programs such as Toolbox Talks.

**TIMELINE:** 2022

**STATUS:** 

Analyze incident data to identify focused areas for improvement, resulting in a significant reduction in workplace incidents and injuries.

**TIMELINE:** 2022

**STATUS:** 

Expand ability to track leading safety indicators, including audit assessment scores, training completion scores, and trends at the shop and market levels.

**TIMELINE:** 2022

**STATUS:** 

Implement formalized incident investigation and corrective action sharing program.

**TIMELINE:** 2023

**STATUS:** 

**NEW** 

**ACHIEVED** 

**ON-TRACK** 

**DELAYED** 

<sup>10</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.

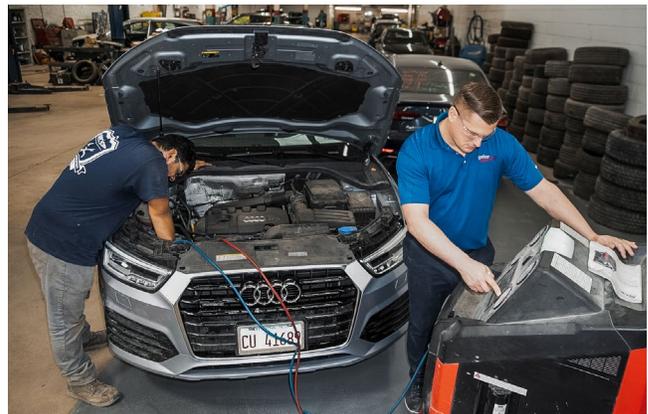
# GOVERNANCE

The Boyd Group strives to uphold high standards of corporate governance practices, which reflects our values of Integrity, Appreciation, Inclusion, Innovation, Performance and Teamwork. We have established high expectations for the way we conduct and govern our business and are continuously striving to improve our performance and maintain accountability. Our organization is guided by the WOW Operating Way, which is a series of systems, processes and measurements that drive excellence in customer satisfaction, repair cycle times and operational metrics.

## ESG LEADERSHIP AND ACCOUNTABILITY

Robust ESG practices are increasingly important for businesses to maintain a strong reputation and trust with stakeholders including customers, investors, employees, communities and regulators.

*“By incorporating ESG considerations into our strategies, we can identify and manage potential risks related to environmental, social, and governance issues and regulations as well as changing market dynamics.”*



## OUR APPROACH

Our proactive approach to ESG allows us to remain competitive, reduce risks and unlock new business opportunities.

*"We strive to promote a comprehensive understanding of ESG across all levels of our organization, from leadership roles to shop floor employees, emphasizing its significance to our performance and how we manage and maintain accountability."*

Our Risk and Sustainability Committee, composed of senior leadership members, including our President & CEO and Executive Vice President & CFO, provides oversight and is accountable for the success of ESG strategy.

As we advance on our ESG journey, it is of utmost importance to establish clear commitments and goals. They serve as guiding principles, providing a sense of direction for our ESG efforts. Monitoring progress and tracking achievements allows us to evaluate our performance, make informed decisions to drive continuous improvement and ultimately achieve our objectives.



## OUR PROGRESS

Following our inaugural ESG report and topic prioritization exercise in 2021, we were able to identify the topics that were most important to our operations and the ones where we could make the largest impact. To be able to better track our ESG performance, our efforts in 2022 focused on improving our understanding of our operations through improved tracking of ESG metrics, including GHG emissions, waste, and health and safety data.

### **Board ESG Experience and Committees**

In 2022, our Board of Directors consisted of nine members. The Board has three standing committees: the Governance and Sustainability Committee, the Audit Committee, and the People, Culture and Compensation Committee. The Governance and Sustainability Committee is chaired by Sally Savoia and includes Robert Espey and William Onuwa. The Audit Committee is chaired by William Onuwa and includes Violet Konkle and John Hartmann. The People, Culture and Compensation Committee is chaired by Violet Konkle and includes Robert Gross and John Hartmann.

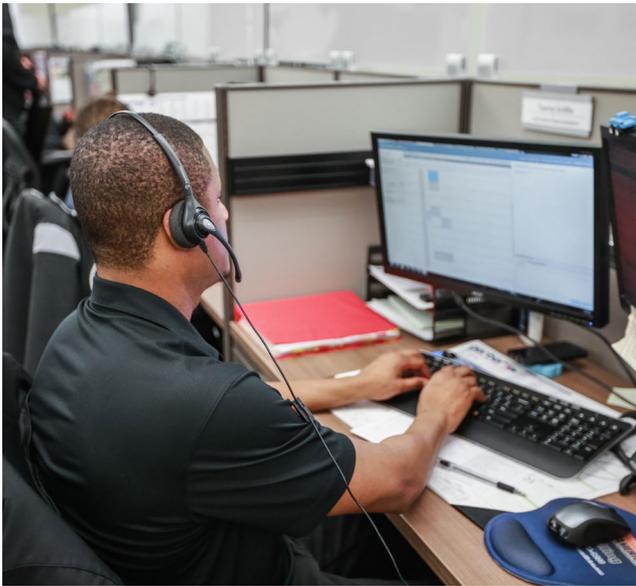
The Governance and Sustainability Committee of the Board completed a skills, experience and attributes assessment. Topics related to ESG are outlined in the matrix below. The matrix is not an exhaustive list of each Director's skills, experiences and attributes.

BOARD	Brock Bulbuck	David Brown	Robert Espey	Robert Gross	John Hartmann	Violet Konkle	Tim O'Day	William Onuwa	Sally Savoia
Public Company Board Experience	✓	✓	✓	✓	✓	✓	✓		
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Executive Compensation	✓	✓	✓	✓	✓	✓	✓		✓
Environment & Social			✓						✓

FUNCTIONAL									
Accounting/Audit	✓	✓		✓	✓	✓	✓	✓	
Finance	✓	✓		✓			✓	✓	
Legal/Regulatory		✓							
Human Resources	✓			✓	✓	✓		✓	✓
Risk Management	✓				✓	✓	✓	✓	✓
Community Affairs/ Investor Relations	✓	✓	✓	✓					✓
Marketing			✓	✓	✓	✓	✓		
Corporate Communications	✓			✓	✓	✓	✓	✓	✓
Industrial Technology					✓	✓			✓
Information Technology			✓		✓				
Cybersecurity			✓		✓				

GROWTH									
Investments/Mergers & Acquisitions	✓	✓	✓	✓	✓		✓		
Business Development & Value Creation	✓	✓	✓	✓	✓	✓	✓		✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global/International Commerce			✓		✓			✓	✓

Christine Feuell was elected to the Board in May 2023; therefore, her skills have not yet been incorporated into this skills, experience and attributes assessment.



## THE ROAD AHEAD

In 2021, we communicated a goal to provide ESG education and training sessions for all employees by 2023. After careful re-evaluation, we have decided to slightly modify this goal to provide all of our employees with ESG information through company-wide communications during 2023. This decision aligns our resources and efforts with the areas that will have the greatest impact as we navigate our evolving organization and industry.

### GOALS

Provide ESG information to all employees in 2023 through company-wide communications.

**TIMELINE<sup>11</sup>:** 2023     **STATUS:** ●

Establish a baseline to track and review key ESG metrics.

**TIMELINE:** 2023     **STATUS:** ●

**NEW** ●     **ACHIEVED** ●     **ON-TRACK** ●     **DELAYED** ●

<sup>11</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.

## BUSINESS ETHICS

Our success is reliant on our relationship with our employees, suppliers, customers, clients and investors. Conducting our business with strong ethics and integrity is a critical part of earning and maintaining their trust. We do not tolerate any behavior that deviates from our ethical standards.

### OUR APPROACH

Our values guide our business and help ensure that our operations and supply chain are aligned with our ethical standards. Our [Code of Business Conduct and Ethics \(“Code”\)](#) provides the standards for ethical behavior for our employees throughout our business activities and reflects our commitment to maintaining a culture of honesty, integrity and accountability. This is supported by our [Reporting and Anti-Retaliation Policy](#), our [Anti-Corruption Policy and Procedures](#), our [Non-Discrimination and Anti-Harassment Policy](#), and our [Human Rights Statement](#). These policies are available on our website at <https://www.boydgroup.com/sustainability>.

### OUR PROGRESS

Our business partners and suppliers are critical collaborators in delivering our products and services and we strive to work with partners who are aligned with our values and commitments. In 2022, we achieved our goal to develop and publish a [Business Partner Code of Conduct](#) that we use to align our key suppliers and ensure that they understand our company standards and values.

## THE ROAD AHEAD

We know that maintaining our ethical standards requires continuous improvement and diligent efforts from our employees, suppliers and business partners. Our goals reflect this and help ensure a high standard of ethics across our operations.

At the Boyd Group, we prioritize ethical conduct and recognize the critical role of our employees in shaping our company culture and driving our business success. Therefore, we are dedicated to enhancing their understanding of our policies and procedures. In 2021, we established a goal to achieve 100% formal acknowledgement of our Code of Business Conduct and Ethics from all employees annually by 2023. We are on track to complete this goal by the end of 2023.

### GOALS

Develop and publish a Business Partner Code of Conduct<sup>13</sup>.

**TIMELINE<sup>12</sup>:** 2022

**STATUS:**



100% formal acknowledgement of our Code of Business Conduct and Ethics from all employees annually.

**TIMELINE:** 2023

**STATUS:**



**NEW**



**ACHIEVED**



**ON-TRACK**



**DELAYED**



<sup>12</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.

<sup>13</sup> Business Partner Code of Conduct was referred to as the Supplier Code of Conduct in our 2021 ESG report.



## DATA PRIVACY & CYBERSECURITY

As business processes continue to digitize and are increasingly reliant on technology advancements, ransomware attacks have become more common, sophisticated and impactful. Therefore, developing and maintaining strong cybersecurity systems is critically important for our business.



*“Implementing robust cybersecurity policies and procedures protects our business and customers against potential threats and maintains the trust and confidence of stakeholders in our ability to safeguard their data.”*

Our cybersecurity program also provides protection of our employee and customer personal information in accordance with state and country-specific data privacy regulations, and which aligns to the Corporate Privacy policy.

### OUR APPROACH

Our Chief Information Officer is responsible for the management and implementation of our information technology and cybersecurity policies and procedures and reviewing our IT risk register, which is aligned with our corporate risk policy. To ensure effectiveness, independence and an impartial approach, a dedicated team has been established for enterprise cybersecurity. One of the key elements of this team is to aid our organization in meeting contractual and regulatory compliance requirements and provide visibility and reporting capabilities security breaches and data loss incidents. Part of our ISO 27001 certification includes demonstrating strong governance of our IT practices. This includes an extensive list of policies which are reviewed annually.

As part of our overall security approach, we align and incorporate concepts from the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) as well as best practice guidance from the Center for Internet Security (CIS). This approach enhances our cybersecurity posture and positions us well to align third-party compliance efforts with the Boyd Group’s cybersecurity standards.

To establish an effective cybersecurity practice, it is crucial to proactively assess and address business risks. We prioritize and rank potential threats that may impact our business operations, employee data or customers to ensure that we focus our efforts appropriately.

### OUR PROGRESS

In 2022, we achieved our goal of obtaining third-party ISO 27001 certification related to the information security management system (ISMS) that supports the staff, executive leadership, information security policies and procedures, and systems used to deliver services. We reviewed several available certifications and ultimately chose to pursue ISO 27001 because of its wide acceptance and alignment with our business goals and objectives.

As part of the certification, we developed and updated several policies and procedures for cybersecurity including a Security Awareness Training policy. Our cybersecurity policies are reviewed once per year to ensure they are adapted to changing circumstances, address emerging issues and reflect updated knowledge and best practices.

## THE ROAD AHEAD

In 2021, we set a goal to implement advanced tools for identity management and data loss prevention by the end of 2023. We have decided to re-evaluate this goal and its completion date and will share an update once we finalize our strategy.

*“In addition to advanced tools, we are also examining the policies, processes and technical deliverables needed to address critical business risks.”*

## GOALS

Achieve ISO27001 certification.

**TIMELINE<sup>14</sup>:** 2022

**STATUS:** ●

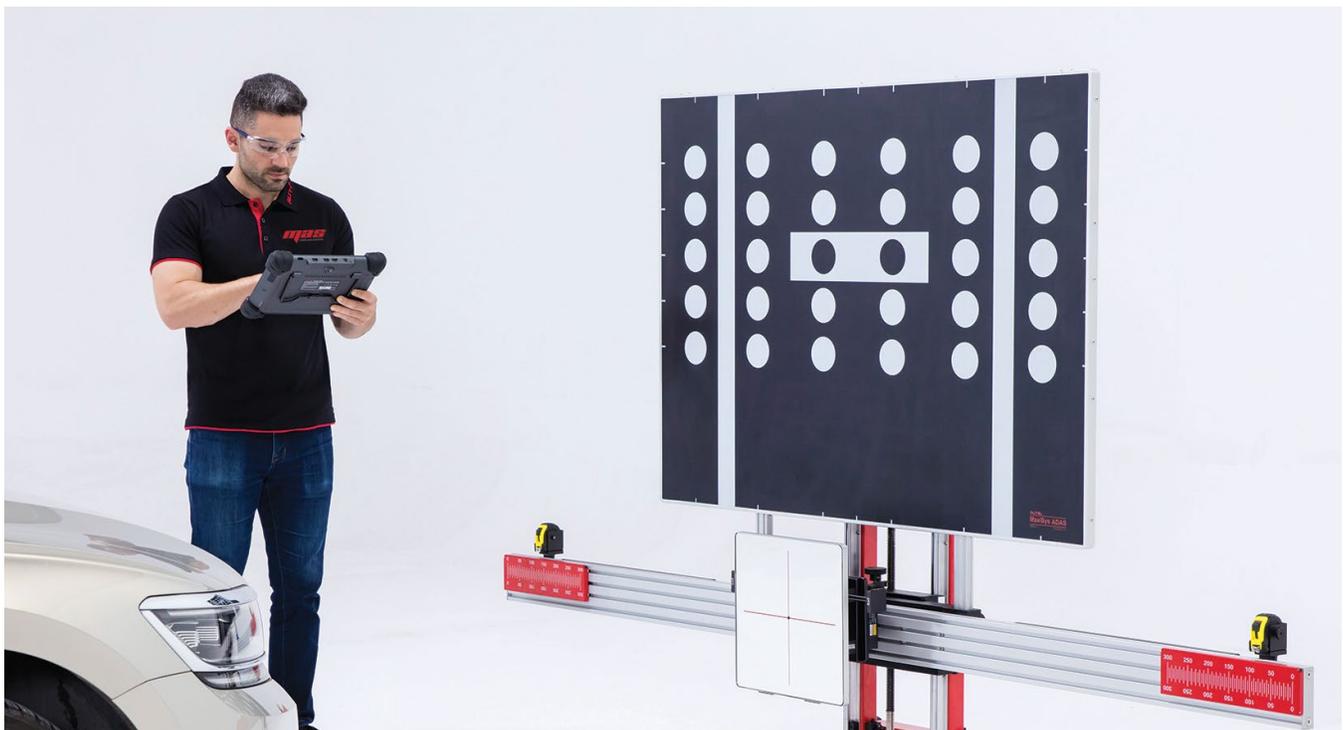
Provide basic security awareness and privacy training to all employees that have access to the Boyd Group’s issued assets or computing environment.

**TIMELINE:** 2022

**STATUS:** ●

**NEW** ● **ACHIEVED** ● **ON-TRACK** ● **DELAYED** ●

<sup>14</sup> Some goals have been restated to improve clarity. All goals now refer to the end of the calendar year, to align with our reporting periods.



## INNOVATION AND TECHNOLOGY

Innovation is critical to the long-term success of any business, especially in today's rapidly changing digital landscape. Embracing ESG practices can foster innovation within a company. Investing in technology and developing responsible and innovative solutions can help companies address modern-day challenges, streamline processes and identify new opportunities for growth.



*"At the Boyd Group, we prioritize partnerships and technological development to improve efficiencies, create a better environment for employees, and stay ahead of the competition. Our culture of innovation enables us to secure our position as a leader in our industry."*

### OUR APPROACH

We recognize the importance of having well-established structures in place to foster innovation and drive technological advancements. Integrating data analytics into our shop work is one example of our efforts to advance innovation and supports our efforts to reduce emissions, plastics waste and labor costs, and improve overall workflow. Our Repair First approach also demonstrates our strong innovation capacity as we build partnerships across the value chain to promote the circular economy and advance ESG in our industry.



### OUR PROGRESS

As part of our operations, we leverage internal and external data integration to support analysis and decision-making. In 2022, we completed significant development and testing of the Boyd Group's enhanced data analytics platform. The enhanced platform can use a wider variety of data sources, such as financial and non-operational data, for future analysis and potential artificial intelligence (AI) applications. These recent improvements will enhance the scalability of our platform and provide us with more robust data for enhanced analytics. The platform is compatible with most systems of our acquired shops which allows for effective integration. Rollout of the new toolset is planned to start taking place in 2023.

### THE ROAD AHEAD

We are continuing to develop our Technology Roadmap to support our business. This roadmap will include developing our policies and reviewing and updating our approach to remain relevant with advancements and emerging opportunities.



[www.boydgroup.com/corporate/sustainability](http://www.boydgroup.com/corporate/sustainability)

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